

Ambition Group Limited
ABN 31 089 183 362

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of members of Ambition Group Limited (**Company**) will be held at the offices of Computershare Investor Services Pty Limited, Level 3 , 60 Carrington St, Sydney, New South Wales 2000 on Friday, 31 July 2020 at 10.00am Sydney time.

However, given the restrictions in force and the uncertainty and potential health risks arising from the rapidly evolving coronavirus (COVID-19) pandemic, Ambition strongly encourages and requests Shareholders to lodge a directed proxy in advance of the Meeting and strongly recommends that Shareholders **DO NOT** attend the Meeting in person.

Ambition intends to strictly follow any government advice or requirements that are current at the time of the Meeting (including in relation to 'social distancing') and will take any additional measures considered necessary or appropriate for the safety of Shareholders, employees, Directors, venue staff and the general public.

Shareholders who still wish to physically attend the Meeting should have regard to government warnings and recommendations and monitor Ambition's website and ASX announcements for any updates about the Meeting.

Ordinary Business

Receipt of financial statements and reports

To receive and consider the financial report of the Company and the reports of the Directors and Auditors for the financial year ended 31 December 2019.

Resolution 1: Re-election of Paul Young

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr Paul Young, being eligible, be re-elected as a Director."

Resolution 2: Re-election of Deborah Hadwen

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Ms. Deborah Hadwen, being eligible, be re-elected as a Director."

Resolution 3: Adoption of Remuneration Report

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That the Remuneration Report for the financial year ended 31 December 2019 be adopted."

Resolution 4: Removal from ASX official list

To consider, and if thought fit, pass the following resolution as a **special resolution**:

"That, for the purpose of ASX Listing Rule 17.11, Shareholders approve the removal of the Company from the ASX official list."

Resolution 5: Amendments to the Constitution

To consider and, if thought fit, pass the following resolution as a **special resolution**:

"That, pursuant to section 136(2) of the Corporations Act 2001 (Cth), the Constitution of the Company is amended as set out in the Explanatory Notes accompanying the Notice convening this Meeting."

Other Information

An Explanatory Memorandum accompanies and forms part of this Notice. Certain terms used in this Notice are defined in the Explanatory Memorandum.

All Shareholders should read the Explanatory Memorandum carefully and in its entirety. Shareholders who are in doubt regarding any part of the business of the Meeting should consult their financial or legal adviser for assistance.

Coronavirus (COVID 19) and Voting by Proxy

Any Shareholder of the Company entitled to attend and vote at this Meeting is entitled to appoint a proxy to attend and vote instead of that Shareholder. As noted above, given the restrictions in force and the uncertainty and potential health risks arising from the rapidly evolving Coronavirus (COVID-19) pandemic, Ambition recommends that Shareholders **DO NOT** attend the Meeting in person and instead, strongly encourages and requests Shareholders to lodge a directed proxy in advance of the Meeting and as early as possible.

The proxy does not need to be a member of the Company. A Shareholder that is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

Proxies must be received by the Company or the Company's share registry, Computershare Investor Services Pty Ltd, no later than 48 hours before the time for the holding of the Meeting, which is by 10.00 am (Sydney time) on Wednesday 29 July 2020.

The completed form of proxy may be:

- (a) mailed to the Company at Level 5, 55 Clarence Street, Sydney NSW 2000;
- (b) mailed to the Company's share registry, Computershare Investor Services Pty Ltd, at GPO Box 242, Melbourne VIC 3001;
- (c) faxed to Computershare Investor Services Pty Ltd on 1800 783 447 within Australia or +61 3 9473 2555 outside Australia; or
- (d) lodged online at www.investorvote.com.au. To use this facility you will need your holder number (SRN or HIN), postcode and control number as shown on your Proxy Form. You will have been taken to have signed the Proxy Form if you lodge it in accordance with the instructions on the website.

A form of proxy is provided with this Notice.

For Intermediary Online subscribers only (Custodians) please visit www.intermediaryonline.com to submit your voting intentions.

Entitlement to Vote

In accordance with Section 1074E(2)(g)(i) of the Corporations Act and Regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the Meeting all Shares will be taken to be held by the persons who held them as registered Shareholders at 7.00pm on Wednesday, 29 July 2020. Accordingly, Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

By order of the Board

Paul Young
Company Secretary
30 June 2020

Ambition Group Limited
ABN 31 089 183 362

Explanatory Memorandum

This Explanatory Memorandum sets out further information regarding the proposed Resolutions to be considered by Shareholders of Ambition Group Limited (**Company** or **Ambition**) at the Annual General Meeting of members to be held at the offices of Computershare Investor Services Pty Limited, Level 3, 60 Carrington St, Sydney, New South Wales 2000 on Friday, 31 July 2020 at 10.00am Sydney time.

Receipt of financial statements and reports

This item allows members the opportunity to consider the Company's Financial Report, Directors' Report and Auditors' Report for the financial year ended 31 December 2019. These reports will be laid before the Annual General Meeting.

Neither the Corporations Act nor the Constitution requires a vote of Shareholders on the reports or statements. However, Shareholders will be given the opportunity to raise questions about, or make comments on, the reports and the practices and management of the Company at the Annual General Meeting.

Resolution 1: Re-election of Paul Young

Resolution 1 provides for the re-election of Mr. **Paul Young** as a Director of the Company. Paul was appointed as a Non-Executive Director of the Company in September 1999. He is a managing director of Henslow, a well-established corporate advisory business, and has been in merchant banking in Australia for more than 30 years. He has extensive experience in the provision of corporate advice to a wide range of Australian and foreign listed and unlisted companies including restructurings, capital raisings, initial public offerings and mergers and acquisitions.

A qualified chartered accountant in England and Wales, Paul holds a degree in economics from the University of Cambridge, an Advanced Diploma in Corporate Finance and is a Fellow of the Australian Institute of Company Directors.

Paul is also a director of Byron Energy Limited, Left Field Printing Group Limited (listed in Hong Kong) and several private companies.

The non-candidate Directors unanimously recommend that Shareholders vote in favour of this Resolution. In making this recommendation, the Board took into account Mr. Paul Young's performance, the skills, expertise and experience he brings to the Board and the length of time served as a Director.

Resolution 2: Re-election of Deborah Hadwen

The Board appointed Ms. Deborah Hadwen with effect from 1 June 2017 in accordance with Rule 6.2 of the Constitution, which allows the Board to appoint additional Directors.

Deborah brings to the Company more than 20 years' of commercial experience having held senior leadership positions in leading multinational technology businesses. She is currently the Managing Director of the Apoidea Group Pty Ltd and prior to this role, she was the Chief Executive Officer, Australia & New Zealand for Tata Consultancy Services Limited. Deborah has a Bachelor of Arts (University of Sydney), Master of Arts (University of Sydney), Master of Commercial Law (Macquarie University) and a Graduate of the Australian Institute of Company Directors. She is currently a member of the Governing Council of Macquarie University and a member of its Audit and Risk Committee.

The non-candidate Directors unanimously recommend that Shareholders vote in favour of this Resolution. In making this recommendation, the Board took into account Ms. Deborah Hadwen's performance, the skills, expertise and experience she brings to the Board and the length of time served as a Director.

Resolution 3: Adoption of Remuneration Report

This item provides Shareholders with the opportunity to vote on the Company's Remuneration Report. Under Section 250R(2) of the Corporations Act, the Company must put the adoption of its Remuneration Report to a vote of Shareholders at the Company's Annual General Meeting.

The vote on this Resolution is only advisory to the Company and does not bind the Board or the Company.

The Remuneration Report is audited and set out in and forms part of the Director's Report within the Company's 2019 Annual Report.

The report:

- explains the Board's policies in relation to the nature and level of remuneration paid to Directors and Senior Management within the Company;
- discusses the link between the Board's policies and the Company's performance;
- provides a detailed summary of the performance conditions, and how performance is measured against them;
- sets out remuneration details for each Director and for the Company's Key Management Personnel; and
- makes clear that the basis for remunerating non-executive Directors is distinct from the basis for remunerating executives, including executive Directors.

The Directors consider that the remuneration policies adopted by the Company are appropriately structured to provide rewards that are commensurate with the performance of the Company and the individual. On that basis, the Board unanimously recommends that Shareholders vote in favour of this advisory Resolution.

Shareholders will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at this Meeting when reviewing the Company's remuneration policies.

The Company will disregard any votes cast on Item 3:

- by or on behalf of a member of the Key Management Personnel (whose remuneration is disclosed in the Remuneration Report) and any of their Closely Related Parties; and
- as a proxy by a member of the Key Management Personnel or any of their Closely Related Parties.

However, the Company need not disregard a vote if it is cast as a proxy for a person who is entitled to vote on the Resolution:

- in accordance with their directions of how to vote on the Proxy Form; or
- by the Chairman of the Meeting pursuant to an express authorisation set out in the Proxy Form.

The Remuneration Report identifies the Company's Key Management Personnel for the financial year to 31 December 2019. Their Closely Related Parties are defined in the Corporations Act, and include certain of their family members, dependents and companies they control.

If the Chairman of the Meeting is to be your proxy, you should be aware that if you do not provide a voting direction in respect of Resolution 3 on the Proxy Form, you expressly authorise the Chairman of the Meeting to vote in favour of Resolution 3. The Chairman of the Meeting intends to vote undirected proxies able to be voted in favour of the adoption of the Remuneration Report. A Shareholder may appoint the Chairman of the Meeting as a proxy with a direction to cast the votes contrary to the Chairman's stated voting intentions or to abstain from voting on that Resolution.

Resolution 4: Removal from ASX official list

Overview

On 16 June 2020, Ambition applied to ASX for an in-principle ruling regarding an application for removal of the Company from the official list of ASX under Listing Rule 17.11 (**De-Listing**). ASX has advised that it would likely de-list the Company subject to satisfaction of a number of conditions including the following:

- (a) the Shareholders of the Company pass a special resolution approving the De-Listing; and
- (b) the De-Listing not take place earlier than one month after shareholders have approved the De-Listing.

Why is Shareholder approval being sought?

Under Listing Rule 17.11, ASX has a discretion whether or not to remove an entity from the official list and may require conditions to be satisfied before it will de-list a company. As noted above, and consistent with Guidance Note 33 *Removal of Entities from the ASX Official List*, ASX has imposed a condition that the Company obtain shareholder approval of the De-Listing by special resolution.

Resolution 4 is a special resolution that seeks the required shareholder approval of the De-Listing under and for the purposes of the ASX Listing Rules. Accordingly, Resolution 4 will only be passed if at least 75% of votes cast on the resolution are in favour of it.

If Resolution 4 is passed, the Company will be able to proceed with the De-Listing. This means that after the De-Listing the Company's securities will no longer be quoted on (or be able to be traded on) the official list of ASX.

If Resolution 4 is not passed, the Company's securities would remain quoted on ASX.

Time and date the Company will be removed from the official list

If Shareholders pass Resolution 4, Ambition will likely be removed from the official list of ASX at a time to be determined by ASX, which is expected to be 30 September 2020.

The indicative timetable for the proposed De-Listing is as follows:

31 July 2020	Date of AGM
	Release results of AGM on ASX
By 7 August 2020	Despatch of letters and share retention forms for the Unmarketable Parcel buy back to Shareholders
By 18 September 2020	Closing date to return share retention forms and opt-out of Unmarketable Parcel buy-back
By 21 September 2020	Announce results of Unmarketable Parcel buy-back on ASX
30 September 2020	Ambition shares suspended from trading
	Ambition removed from official list

*This timetable is indicative only and subject to change. The Company reserves the right to change the dates, subject to the Listing Rules and Corporations Act. Any extension of the date of the AGM will have a consequential effect on the anticipated date for the De-Listing.

Following the Meeting, a further announcement will be made to ASX confirming the applicable dates for the De-Listing process.

If Shareholders wish to sell their shares on ASX, they will need to do so prior to the De-Listing. Before the De-Listing, Ambition's Shares may continue to be traded on ASX. This will provide Shareholders who wish to sell their Shares on ASX the opportunity to exit the Company prior to the De-Listing, should they not wish to remain investors in an unlisted entity.

Having regard to the low levels of liquidity in the Shares, in order to provide small Shareholders with a further opportunity to realise their investment, Ambition is also proposing to undertake a buy-back of Unmarketable Parcels, conditional on Shareholders approving the proposed amendments the Constitution the subject of Resolution 5. More details regarding the proposed buy-back are set out below.

Following the De-Listing, Shares in the Company will only be capable of sale by private transaction. There will be no formal securities market or exchange in place to allow investors to dispose of their holdings following the De-Listing. This may present difficulties to investors who wish to sell their Shares after that date.

Reasons for removal

The key reasons for seeking removal of Ambition from the official list of the ASX are:

(a) *Poor financial performance*

As announced in our 2019 Annual Report, the financial year ended 31 December 2019 was a difficult year for Ambition with the company making a loss. Revenue for the year decreased by 3% from \$114M in FY18 to \$110M in FY19. Net assets for the year decreased from \$11.6M at 31 December 2018 to \$9.9M at 31 December 2019. Earnings before interest, tax, depreciation and amortisation increased from \$0.2M to \$2.8M, however this was largely due to the impact of new accounting standard AASB 16 and, on a comparable basis (without AASB 16 in place), EBITDA would have decreased from a profit of \$0.2M to a (\$0.1M) loss. There were no dividends declared or paid for the 2018 or 2019 financial years.

Given the current uncertain economic climate, both domestically and internationally, the future outlook of Ambition is unpredictable. In particular, business is expected to continue to be extremely difficult as a result of the effects of the COVID-19 virus.

(b) *Listing and administrative costs*

Maintaining a public listing adds significant direct and indirect costs to Ambition's business. If the De-Listing occurs, the Board estimates the Company will save approximately \$400k-\$500k per annum in ongoing costs (including the cost of management's time being taken up by matters associated with being listed). This saving would significantly assist Ambition to improve its financial performance and its prospects of returning to profitability.

(c) *Small market capitalisation*

Ambition has a small market capitalisation for a listed company, being approximately \$1.55M as at 12 June 2020. The Board does not consider such a market capitalisation large enough to enable Ambition to take advantage of being publicly listed. Accordingly, the costs outlined above do not provide a corresponding benefit to Ambition and its Shareholders

(d) *Level of spread and low liquidity*

Ambition's Share register is highly concentrated with approximately 84.6% of the issued share capital held by the top 20 Shareholders. Under Listing Rule 12.4, ASX requires that entities maintain a spread of security sufficient to ensure that there is an orderly and liquid market in its securities. The Board considers that the current spread of Shareholders and their aggregate holdings of Shares may not be sufficient to maintain an orderly and liquid market in the Shares as required under Listing Rule 12.4.

Indeed, there has been very little on-market trading of Ambition Shares over at least the past 12 months, with only 1,151,514 Shares (representing 1.7% of the total issued capital) trading on-market during the period from 13 June 2019 to 12 June 2020.

Further, as at 12 June 2020, 291 Shareholders (representing 75.6% of all Shareholders) held Unmarketable Parcels (based on the closing price of \$0.023 on 12 June 2020), with an aggregate value of \$27,021.

These factors have contributed to the Board's determination that it is impractical for Ambition to continue to bear both the financial and management costs of continuing as a listed entity. In addition, the Board does not have any reason to believe that there will be a substantial increase in its Shareholder spread or the liquidity in Shares in the future.

Effect on Ambition's securities

As at 12 June 2020, Ambition had 67,348,247 fully paid ordinary Shares on issue held by 385 Shareholders.

All Shares in the Company at the date of the De-Listing will cease to be quoted on ASX. If Shareholders wish to sell their Shares on ASX, they will need to do so prior to the De-Listing.

The Shares will continue to be quoted on ASX until 30 September 2020, being two months following approval by Shareholders of the De-Listing. This will give Shareholders an opportunity to exit their investment in the Company prior to the De-Listing taking place.

Following the De-Listing, Shares will continue to be able to be traded off-market by way of private sale. The Company does not intend to manage or facilitate a market for the sale of its Shares.

Effect on regulation and corporate governance

The ASX Listing Rules will cease to apply to Ambition after De-Listing, meaning:

- (a) the Company will no longer be required under Listing Rule 7.1 to obtain prior approval of Shareholders for an issue of equity securities if the equity securities will, when aggregated with the ordinary securities issued by the Company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period;
- (b) the Company will no longer be required to seek Shareholder approval of transactions for the acquisition from or disposal to directors, other related parties and Shareholders holding 10% or more of the Company's Shares under Listing Rule 10.1;
- (c) the Company will no longer be required to seek prior Shareholder approval for the issue of Shares to directors and other related parties under Listing Rule 10.11; and
- (d) the Company will no longer require Shareholder approval under Listing Rules 11.1 or 11.2 for changing the nature and scale of its activities or disposing of its main undertaking.

Although the Listing Rules will cease to apply to Ambition, the Company will still continue to be subject to the requirements of the Corporations Act and the Constitution, including the following:

- (a) while the Company has 100 or more Shareholders it will continue to be an unlisted disclosing entity. This means that it will still be required to give continuous disclosure of material matters in accordance with the Corporations Act by filing notices with ASIC under section 675 of the Corporations Act. Ambition will also still be required to lodge annual audited and half-yearly financial statements in accordance with the requirements of the Corporations Act, however, if the Company ceases to be an unlisted disclosing entity (i.e. ceases to have at least 100 shareholders), there will be no ongoing requirement to give continuous disclosure of material matters under section 675 or lodge half-yearly financial statements reviewed by an auditor. However, Ambition will still be required to prepare and lodge annual audited financial statements with ASIC;
- (b) while the Company has 50 or more Shareholders, the acquisition and control of Shares will continue to be subject to the takeover provisions in chapter 6 of the Corporations Act;
- (c) the restrictions on the giving of a financial benefit to a related party under chapter 2E of the Corporations Act will continue to apply; and
- (d) the majority of the provisions of the Constitution will not be affected by the De-Listing.

Following De-Listing, Ambition anticipates that it would amend its corporate governance policies and procedures which were specific to the requirements of ASX. This would include, for example, amending the share trading policy so as to no longer refer to the blackout periods which applied in accordance with the requirements of ASX.

Effect on control

The De-Listing will not (of itself) impact on the control of the Company.

Effect on business

Ambition does not anticipate that the De-Listing will have any adverse effect on its business and intends to conduct its business in the usual course following the De-Listing.

Effect on financial position

The De-Listing is not expected to have any adverse effect on the financial position of Ambition and is expected to result in savings in annual listing fees and other expenses associated with maintaining an ASX listing, as noted above.

Potential disadvantages of the De-Listing

(a) Less liquidity

After the De-Listing, Shares in the Company will only be able to be traded by way of private transaction. Accordingly, the liquidity of the Company's Shares will be further diminished.

However, the market for the Shares on ASX over the past 12 months has generally been illiquid, resulting in a negative effect on the Company's share price.

(b) More limited means of raising capital

Generally speaking, an unlisted company does not have the ability to raise capital from the issue of securities by means of limited disclosure fundraising documents. Therefore, the main means for the Company to raise funds will be by way of a full form prospectus or placement to sophisticated and other investors who do not require a prospectus.

(c) Less onerous disclosure obligations

If the De-Listing proceeds, various requirements of the Listing Rules will no longer apply to the Company. The reduction of obligations associated with a listing on ASX may include relief from some reporting and disclosure requirements, removal of restrictions on the issue of shares by the Company, requirements concerning significant changes to the Company's activities and relief from requirements to address ASX Corporate Governance Principles and Recommendations. The absence of continued restrictions in these areas may be perceived to be a disadvantage to some shareholders, particularly minority shareholders.

Buy-back of Unmarketable Parcels

As detailed in Resolution 5, Ambition is also seeking Shareholder approval to amend its Constitution to incorporate provisions to allow for it to sell or buy-back Unmarketable Parcels from Shareholders in accordance with Listing Rule 15.13 and to implement this process should that approval be obtained.

If Resolution 5 is approved, Shareholders can expect to receive a letter by 7 August 2020 outlining the process regarding the proposed Unmarketable Parcel buy-back, and will have at least 6 weeks from the date of that letter in order to opt-out and retain their Shares.

Whilst Ambition proposes to offer Shareholders with an Unmarketable Parcel the opportunity to sell, Ambition does not intend to offer a specific liquidity facility in conjunction with its removal from the official list. However, shareholders who wish to sell their Shares remain able to trade their Shares to willing counterparties on-market on the ASX up to the date of suspension of trading of the Ambition's Shares, which will occur prior to market opening on the expected date of removal from the official list. Subject to Resolution 5 being approved, the expected date for removal from the official list is 30 September 2020, being 2 months after the AGM and after completion of the Unmarketable Parcel buy-back.

Remedies available to Shareholders

If a Shareholder considers the De-Listing to be contrary to the interests of the Shareholders as a whole or oppressive to, unfairly prejudicial to, or unfairly discriminatory against a Shareholder or Shareholders, it may apply to the court for an order under part 2F.1 of the Corporations Act. Under section 233 of the Corporations Act, the court can make any order that it considers appropriate in relation to Ambition, including an order that it be wound up or an order regulating the conduct of Ambition's affairs in the future.

If a Shareholder considers that the De-Listing involves 'unacceptable circumstances', it may apply to the Takeovers Panel for a declaration of unacceptable circumstances and other orders under Part 6.10 Division 2 Subdivision B of the Corporations Act (refer also to Guidance Note 1: Unacceptable Circumstances issued by the Takeovers Panel). Under section 657D of the Corporations Act, if the Takeovers Panel has declared the circumstances to be unacceptable, it may make any order that it considers appropriate to protect the rights or interests of any person or group of persons, where the Takeovers Panel is satisfied that those rights or interests are being affected, or will be or are likely to be affected, by the circumstances.

The Board unanimously recommends that Shareholders vote in favour of this Resolution.

Resolution 5: Amendments to the Constitution

Resolution 5 is a special resolution proposing amendments to the Company's Constitution in the manner set out in full in the Schedule of this Notice. Accordingly, Resolution 5 will only be passed if at least 75% of votes cast on the resolution are in favour of it.

Whilst Ambition values all of its Shareholders, it incurs significant administrative costs in maintaining many small shareholdings, including the costs of preparing and mailing Shareholder statements, the annual report, and other forms of communications. The cost of maintaining small Shareholder accounts can be disproportionately high. In addition, the Company recognises that small Shareholders may find it difficult or expensive to dispose of their Shares or may not, subject to the passing of Resolution 4, wish to continue holding Shares of an unlisted company.

Under the proposed changes to the Constitution, Ambition would have the ability to establish an Unmarketable Parcel buy-back or sale facility and notify Shareholders who hold Unmarketable Parcels that it intends to sell or buy-back their Shares unless they elect to retain them.

If Resolution 5 is passed, Ambition intends to implement the facility shortly after the Meeting, regardless of whether Resolution 4 is approved or not. In doing so, Shareholders can expect to receive a letter by 7 August 2020 outlining the process regarding the proposed Unmarketable Parcel buy-back, and will have at least 6 weeks from the date of that letter in order to opt-out and retain their Shares.

If Resolution 4 is approved and the Company is de-listed from the official list of ASX, the Company would cease to be able to use the ability incorporated by these changes.

All transaction costs in relation to the Unmarketable Parcel sale or buy-back facility would be borne by the Company. Shareholders would not have to participate in the Unmarketable Parcel sale facility; however, in order to retain their Shares, the Shareholder would have to confirm this to the Company, buy more Shares, or if relevant, amalgamate their holdings.

The Board unanimously recommends that Shareholders vote in favour of this Resolution.

Glossary

ASX means ASX Limited (ACN 008 624 691).

Board means the board of Directors of the Company.

Closely Related Party means the closely related party of any Key Management Personnel and includes (among others), a spouse, child or dependent of any Key Management Personnel and a company controlled by any Key Management Personnel.

Company means Ambition Group Limited (ACN 089 183 362).

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a Director of the Company.

Explanatory Memorandum means this explanatory memorandum to the Notice.

Key Management Personnel means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. The Company's Remuneration Report identifies the Company's key management personnel.

Listing Rules means the Listing Rules of ASX.

Meeting means this annual general meeting convened by the Notice.

Notice means this notice of meeting.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution to be considered at the Meeting as set out in the Notice.

Share an ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Unmarketable Parcels means holdings of Shares the aggregate value of which are less than A\$500.

Schedule 1

The Constitution is amended by inserting a new Part 13 as follows:

Part 13 – SMALL HOLDINGS

13.1 Definitions

In this Part 13:

“**ASX Settlement**” means ASX Settlement Pty Limited (ABN 49 008 504 532);

“**ASX Settlement Operating Rules**” means the business rules of the clearing and settlement facility maintained by ASX Settlement;

“**ASX Trade**” means the Exchange’s automated trading system as amended from time to time;

“**CHESS Holding**” means a holding of shares on the CHESS sub-register, being that part of the Company’s register that is administered by ASX Settlement;

“**Divestment Notice**” is a notice given under Rule 13.2 to a Small Holder or a New Small Holder;

“**Holding Adjustment**” has the meaning given in the ASX Settlement Operating Rules;

“**Market Value**” in relation to a share is the closing price of the share on ASX Trade;

“**New Small Holder**” is a member who is the holder or a joint holder of a New Small Holding;

“**New Small Holding**” is a holding of shares created after the date on which this Constitution came into effect by the transfer of a parcel of shares the aggregate Market Value of which at the time a proper ASX Settlement Operating Rules transfer was initiated or a paper based transfer was lodged, was less than a marketable parcel of shares as provided under the Listing Rules;

“**Small Holder**” is a member who is the holder or a joint holder of a Small Holding;

“**Small Holding**” is a holding of shares the aggregate Market Value of which at the relevant date is less than a marketable parcel of shares as provided under the Listing Rules;

“**Relevant Period**” is the period specified in a Divestment Notice under Rules 13.2 and 13.3; and

“**Relevant Shares**” are the shares specified in a Divestment Notice.

13.2 Divestment Notice

- (a) If the Directors determine that a member is a Small Holder or a New Small Holder the Company may give the member a Divestment Notice to notify the member:
- (i) that the member is a Small Holder or a New Small Holder, the number of shares making up the Small Holding or New Small Holding and the Market Value of the Small Holding or New Small Holding and the date on which the Market Value was determined;
 - (ii) that the Company intends to sell or buy back the Relevant Shares in accordance with this Rule after the end of the Relevant Period specified in the Divestment Notice;
 - (iii) if the member is a Small Holder, that the member may at any time before the end of the Relevant Period notify the Company in writing that the member desires to retain the Relevant Shares and that if the member does so the Company will not be entitled to sell or buy back the Relevant Shares under the Divestment Notice; and

- (iv) after the end of the Relevant Period the Company may for the purpose of selling or buying back the Relevant Shares that are in a CHESS Holding initiate a Holding Adjustment to move those shares from that CHESS Holding to an issuer sponsored or certificated holding or take any other action the Company considers necessary or desirable to effect the sale of the Relevant Shares.
- (b) If the ASX Settlement Operating Rules apply to the Relevant Shares, the Divestment Notice must comply with the ASX Settlement Operating Rules.

13.3 Relevant Period

Subject to the Listing Rules and the ASX Settlement Operating Rules, the Relevant Period must be at least six weeks from the date the Divestment Notice was given.

13.4 Company can sell Relevant Shares

- (a) Subject to any applicable law and subject to Rule 13.4(b) at the end of the Relevant Period the Company is entitled to sell or dispose of any Relevant Shares:
 - (i) on-market using a broker on the basis that the broker obtains the best price reasonably obtainable for the Relevant Shares;
 - (ii) by buying back the Relevant Shares and subsequently cancelling the shares bought back ; or
 - (iii) in any other manner and on any terms determined by the Directors.
- (b) Where the Relevant Shares are Relevant Shares of a member who is a Small Holder the Company must not sell or buy back those Relevant Shares under the Divestment Notice if the member has:
 - (i) notified the Company in writing before the end of the Relevant Period that the member desires to retain the Relevant Shares;
 - (ii) increased his or her holding of shares such that as at the end of the Relevant Period, that member has a marketable parcel of shares as provided under the Listing Rules, and those Relevant Shares will cease to be subject to the Divestment Notice.

13.5 No obligation to sell

- (a) If, after using reasonable commercial endeavours, the Company has been unable to sell some or all of the Relevant Shares which it is entitled to under this Part 13 within six weeks after the end of the Relevant Period, the Company is not required to, but may, at the discretion of the Directors, continue to offer the Relevant Shares that have not been sold for sale for a further period of time not exceeding 12 weeks.
- (b) The Company's right to sell the Relevant Shares which are not sold within 18 weeks after the end of the Relevant Period lapses and it must notify the member to whom the Divestment Notice was given accordingly.

13.6 Company as member's attorney

To effect the sale and transfer or buy back by the Company of Relevant Shares of a member, the member appoints the Company and each Director and Secretary jointly and severally as the member's attorney in the member's name and on the member's behalf to do all acts and things which the Company considers necessary or appropriate to effect the sale and transfer or buy back of the Relevant Shares and, in particular:

- (a) to initiate a Holding Adjustment to move the Relevant Shares from a CHESS Holding to an issuer sponsored holding or a certificated holding; and
- (b) to execute on behalf of the member all deeds instruments or other documents necessary to transfer the Relevant Shares and to deliver any such deeds, instruments or other documents to the purchaser.

13.7 Conclusive evidence

- (a) A statement in writing by or on behalf of the Company under this Part 13 signed by any two Directors or any one Director and the Secretary is binding on and conclusive against (in the absence of manifest error) a member.
- (b) Without limiting Rule 13.7(a) a statement that the Relevant Shares specified in the statement have been sold or bought back in accordance with this Part 13 conclusive against all persons claiming to be entitled to the Relevant Shares and discharges the purchaser from all liability in respect of the Relevant Shares.

13.8 Registering the purchaser

- (a) The Company must register the purchaser of Relevant Shares as the holder of the Relevant Shares transferred to the purchaser under this Part 13.
- (b) The purchaser of Relevant Shares (or the person to whom Relevant Shares are disposed) need not enquire whether:
 - (i) the Company has properly exercised its powers under this Part 13 in respect of the Relevant Shares; or
 - (ii) any money paid as consideration or any proceeds of disposal has been properly applied;
 - (iii) and the title of the purchaser (or the person to whom Relevant Shares are disposed) to the Relevant Shares that are transferred to him or her is not affected by an irregularity or invalidity in connection with the actions of the Company under this Part 13.

13.9 Payment of proceeds

- (a) Subject to Rule 13.10, where:
 - (i) Relevant Shares of a member are sold or bought back by the Company on behalf of the member under this Part 13; and
 - (ii) unless the Company is satisfied that the certificate has been lost or destroyed or the Relevant Shares are uncertificated securities, the certificate for the Relevant Shares has been received by the Company,
the Company must, within two weeks of the completion of the sale or buy back or such longer time period permitted under the Law or by the Australian Securities and Investments Commission, send the proceeds of sale or the buy-back consideration to the member entitled to those proceeds by sending a cheque payable to the member through the post to the address of the member shown in the register, or in the case of joint holders, to the address shown in the register as the address of the member whose name first appears in the register.
- (b) Payment of any money under this Rule is at the risk of the member to whom it is sent.
- (c) For the avoidance of doubt, unless the Company has received the certificate for the Relevant Shares or is satisfied that the certificate has been lost or destroyed or that the Relevant Shares are uncertificated securities, the Company is not required to send the proceeds of sale to the relevant member and may invest or use those proceeds for the benefit of the Company until the requirements of Rule 13.9(a)(ii) have been satisfied.

13.10 Costs

- (a) In the case of a sale of the Relevant Shares in accordance with this Part 13, the Company or a purchaser must bear the costs of sale or buy back of the Relevant Shares.
- (b) For the purposes of Part 13, the costs of sale or buy back include all stamp duty, brokerage and government taxes and charges (except for tax on income or capital gains of the member) payable by the Company in connection with the sale and transfer or buy back of the Relevant Shares.

13.11 Remedy limited to damages

The remedy of a member to whom this Part 13 applies, in respect of the sale of the Relevant Shares of that member, is expressly limited to a right of action in damages against the Company to the exclusion of any other right, remedy or relief against any other person.

13.12 Dividends and voting suspended

Unless the Directors determine otherwise, where a Divestment Notice is given in accordance with this Part 13, then despite any other provision in this Constitution:

- (a) the rights to receive a payment of dividends and to vote attached to the Relevant Shares of that member are suspended until the Relevant Shares are transferred to a new holder or the Relevant Shares cease to be subject to a Divestment Notice; and
- (b) any dividends that would, but for this Part 13, have been paid to that member must be held by the Company and paid to that member within 60 days after the earlier of the date the Relevant Shares of that member are transferred and the date that the Relevant Shares of that member cease to be subject to a Divestment Notice.

13.13 12-month limit

If it is a requirement of the Listing Rules, the Company must not give a Small Holder more than one Divestment Notice in any 12-month period (except as contemplated by Rule 13.14).

13.14 Effect of takeover

From the date of the announcement of a takeover bid for the shares until the close of the offers made under the takeover bid, the Company's power under this Part 13 to sell Relevant Shares of a member lapses. After the close of the offers under the takeover bid, the Company may re-start the divestment procedure under this Part 13 by giving a Divestment Notice to a member who is a Small Holder or a New Small Holder, despite Rule 13.13 and the fact that it may be less than 12 months since the Company gave a Divestment Notice to that member.